The Conference Board™

Serving Business and Society Since 1916

R4105-4

A Conference Board/NFO Survey August 1992

Consumer Confidence Survey™

A Monthly Report from the Consumer Research Center *July Results*

Confidence Down Sharply

The Consumer Confidence Index (1985=100) registered 61.0 in July, a stark loss of 11.6 points for the month. This decline is equal to almost half of the cumulative gain in the Index which had been registered during the Spring months. In the most recent survey, respondents were more negative than in the preceding probe, both in their assessment of prevailing economic conditions, and in their expectations for the months ahead. Buying plans for homes and appliances are markedly lower than a month ago. Intentions to purchase an automobile, however, are up, following a decline registered in June.

The Consumer Confidence Survey program is based on a sample of 5,000 U.S. households representing all geographic regions, age groups and income levels. The survey is conducted for The Conference Board by National Family Opinion, Inc. (NFO) of Greenwich, Connecticut.

In July, less than 11 percent of all survey participants say that prevailing business conditions are "good," while over 43 percent say they are "bad." Both these numbers are markedly less positive than a month ago. Similarly, less than 6 percent of survey respondents say that jobs are "plentiful," some 44 percent say that they are "hard to get." These figures, too, are more negative than previously.

In looking ahead to the next six months, people are also a good deal less optimistic than a month ago. Now, less than 20 percent, as compared to a prior 24 percent, believe that business conditions will improve. Similarly, on the question of employment prospects, only 14 percent now expect that more jobs will become available, while over 22 percent fear that there will be fewer. These expectations are much less optimistic than they were a month ago.

The decline in consumers' spirits evidently reflects the faltering in the nation's economic recovery. Initial unemployment claims have recently increased, and the number of persons in jobs has edged down. Beyond this, the accelerating political debate in this election year, with its emphasis on the economic issues, is probably contributing to some public uncertainty and concern. About a third of the July survey responses were completed during and after the Democratic Convention.

Fabian Linden

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households 100%

Business — Employment — Income

All series seasonally adjusted	1991 July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan.	Feb.	Mar.	Apr.	May	Jun(r)	Jul(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	77.7	76.1	72.9	60.1	52.7	52.5	50.2	47.3	56.5	65.1	71.9	72.6	61.0
Present Situation	43.8	45.1	39.1	31.0	27.1	22.5	22.6	23.0	26.2	28.0	34.4	37.7	31.8
Expectations	100.3	96.8	95.4	79.5	69.7	72.6	68.7	63.5	76.7	89.7	96.9	95.9	80.5
Appraisal of Present Situation: Percent													
Business Conditions													
Good	12.0	12.1	11.2	9.3	9.6	7.2	6.7	7.9	9.0	9.2	10.0	11.3	10.6
Bad	37.3	37.4	39.7	40.7	48.4	46.8	50.2	48.6	46.9	44.9	39.4	37.3	43.4
Normal	50.7	50.5	49.1	50.0	42.0	46.0	43.1	43.5	44.1	45.9	50.6	51.4	46.0
Employment													
Jobs plentiful	7.8	8.6	7.2	5.5	5.1	4.3	4.9	4.4	4.8	5.0	5.9	6.3	5.6
Jobs not so plentiful	54.6	52.8	52.8	51.0	47.8	47.9	48.1	46.7	48.3	49.8	53.8	53.1	50.3
Jobs hard to get	37.6	38.6	40.0	43.5	47.1	47.8	47.0	48.9	46.9	45.2	40.3	40.6	44.1
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	24.4	25.3	23.0	18.9	17.0	19.1	18.4	16.8	21.4	24.1	26.4	23.9	19.5
Worse	9.5	10.2	10.8	14.0	19.3	19.0	20.3	21.4	16.4	11.0	9.8	9.6	13.0
Same	66.1	64.5	66.2	67.1	63.7	61.9	61.3	61.8	62.2	64.9	63.8	66.5	67.5
Employment													
More jobs	19.9	18.8	17.7	14.8	12.6	13.9	13.1	12.7	15.3	18.3	20.0	19.2	14.1
Fewer jobs	18.1	18.5	20.1	26.0	28.1	28.3	30.0	32.9	27.2	21.0	18.5	18.8	22.4
Same	62.0	62.7	62.2	59.2	59.3	57.8	56.9	54.4	57.5	60.7	61.5	62.0	63.5
Income													
Increase	23.0	20.6	23.6	21.3	19.3	21.5	18.3	18.4	18.1	18.4	17.6	20.4	18.6
Decrease	9.0	9.9	8.6	11.6	11.8	13.4	12.4	14.7	12.4	12.3	10.2	10.8	12.2
Same	68.0	69.5	67.8	67.1	68.9	65.1	69.3	66.9	69.5	69.3	72.2	68.8	69.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.4	6.5	7.4	7.5	6.6	5.9	7.0	7.0	5.9	6.5	7.5	6.7	7.4
New	4.0	3.5	3.4	3.2	2.6	3.0	2.6	3.6	2.7	3.4	3.5	3.1	3.5
Used	2.1	2.7	3.0	3.3	3.0	2.2	3.5	2.7	2.4	2.4	2.8	2.8	3.2
Uncertain	0.3	0.3	1.0	1.0	1.0	0.7	0.9	0.7	0.8	0.7	1.2	0.8	0.7
Home													
Yes	2.9	2.9	3.4	3.3	2.9	3.1	3.5	4.2	3.3	3.5	3.2	3.6	2.7
New	0.5	0.7	0.8	0.6	0.8	0.7	0.8	1.0	1.0	1.1	1.0	0.9	0.6
Lived in	2.0	1.4	1.7	1.9	1.5	1.6	1.9	2.2	1.5	1.6	1.4	1.8	1.1
Uncertain	0.4	0.8	0.9	0.8	0.6	0.8	0.8	1.0	0.8	0.8	0.8	0.9	1.0
Major appliances													
Total plans	27.9	29.5	31.6	28.0	29.4	28.6	27.4	29.9	30.4	31.2	28.6	27.6	19.0
Refrigerator	4.0	4.6	5.9	4.2	4.4	4.2	4.3	4.9	5.2	4.9	4.5	4.5	2.7
Washing machine	4.4	3.7	3.4	4.3	3.7	4.0	3.8	4.1	4.0	3.6	3.6	3.9	2.4
TV Set	6.4	7.7	7.5	6.9	7.0	7.2	6.5	6.6	7.2	6.7	6.5	6.3	4.3
Vacuum Cleaner	4.4	5.3	6.0	4.7	5.9	5.2	5.2	5.3	5.3	6.3	6.0	5.2	3.7
Range	2.9	2.4	2.8	3.1	2.7	2.7	2.4	2.7	3.1	3.5	3.0	2.8	2.5
Clothes dryer	3.2	3.4	3.1	3.2	3.0	3.6	2.9	3.9	3.7	4.1	3.3	3.4	2.2
Air conditioner	2.6	2.4	2.9	1.6	2.7	1.7	2.3	2.4	1.9	2.1	1.7	1.5	1.2
Carpet	6.7	5.6	6.7	5.2	5.6	5.1	6.7	5.7	6.0	5.5	5.8	6.6	5.0
Vacation Intended Within Six Months: Percent													
Vacation Intended		46.6		49.1		48.2		45.2		45.6		47.0	
Destination													
U.S.		40.6		42.7		42.8		38.9		40.0		41.7	
Foreign country		7.8		7.8		6.8		8.1		6.7		7.0	
Means of Travel													
Automobile		28.2		30.8		28.1		26.6		27.4		28.1	
Airplane		17.2		17.0		17.1		18.2		17.1		20.3	
Other		4.4		3.6		4.4		3.4		4.2		3.2	

(p)—preliminary (r)—revised

The Conference Board, 845 Third Avenue, New York, New York 10022
The Conference Board Europe, Avenue Louise, 207-Bte 5, B-1050 Brussels, Belgium
The Conference Board of Canada, 255 Smyth Road, Ottawa, Ontario, K1H-8M7

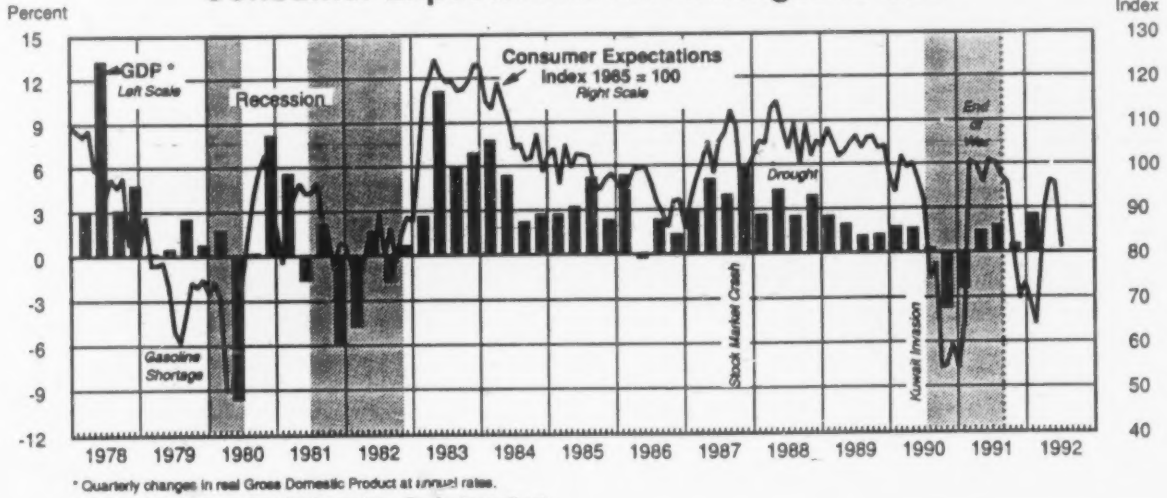
Copyright © 1992 by The Conference Board, Inc. All rights reserved.

Inflation	Interest Rates		Stock Prices										
Not Seasonally Adjusted	*July*	*Aug.*	*1991 Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*1992 Apr.*	*May*	*Jun(r)*	*Jul(p)*
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.8	4.7	4.6	4.7	4.7	4.8	4.7	4.7	4.5	4.5	4.6	4.6	4.4
Interest Rates													
Higher	50.7	46.9	41.8	37.0	34.0	33.2	30.4	39.6	49.0	53.5	51.1	49.9	35.8
Same	27.9	27.5	30.2	27.3	25.2	27.7	30.5	27.1	27.4	26.2	28.7	28.7	31.0
Lower	21.4	25.6	28.0	35.7	40.8	39.1	39.1	33.3	23.6	20.3	20.2	21.4	33.2
Stock Prices													
Increase	41.8	39.3	39.5	35.8	33.9	29.9	41.9	39.7	40.5	39.6	41.0	41.2	35.1
Same	34.8	36.1	37.0	37.5	35.9	34.1	33.8	32.7	34.4	34.7	36.8	36.5	36.9
Decrease	23.4	24.6	23.5	26.7	30.2	36.0	24.3	27.6	25.1	25.7	22.2	22.3	28.0

All series seasonally adjusted	*July*	*Aug.*	*1991 Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*1992 Apr.*	*May*	*Jun(r)*	*Jul(p)*	*3 mos. Percent Change**
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	91.0	92.4	86.7	74.0	65.0	64.1	62.8	57.7	67.4	74.8	82.7	89.7	74.3	23.4
35-54	79.9	77.1	70.2	58.8	52.4	53.6	48.3	47.4	55.2	64.8	68.6	70.5	64.0	21.4
55 and over	64.9	61.7	61.6	48.4	42.7	42.6	41.1	37.4	48.1	56.4	66.1	59.4	48.3	22.5
HOUSEHOLD INCOME														
Under $15,000	58.2	51.7	53.1	45.1	33.0	37.8	33.1	33.0	41.7	46.5	51.5	53.4	36.0	16.3
$15,000-24,999	67.9	78.4	69.3	56.2	51.4	48.4	44.1	39.9	50.8	57.3	68.8	62.7	51.7	23.8
$25,000-34,999	80.6	80.4	73.5	57.0	53.3	52.1	50.2	48.7	60.0	62.3	75.1	76.4	66.6	27.5
$35,000-49,999	85.9	81.4	78.4	69.5	58.2	55.1	54.9	50.2	59.4	73.0	81.2	82.1	65.7	25.4
$50,000 and over	93.8	89.0	84.4	70.0	65.1	64.4	63.3	60.3	66.3	78.7	81.3	83.0	77.8	17.8

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

Consumer Expectations and Changes in GDP



* Quarterly changes in real Gross Domestic Product at annual rates.

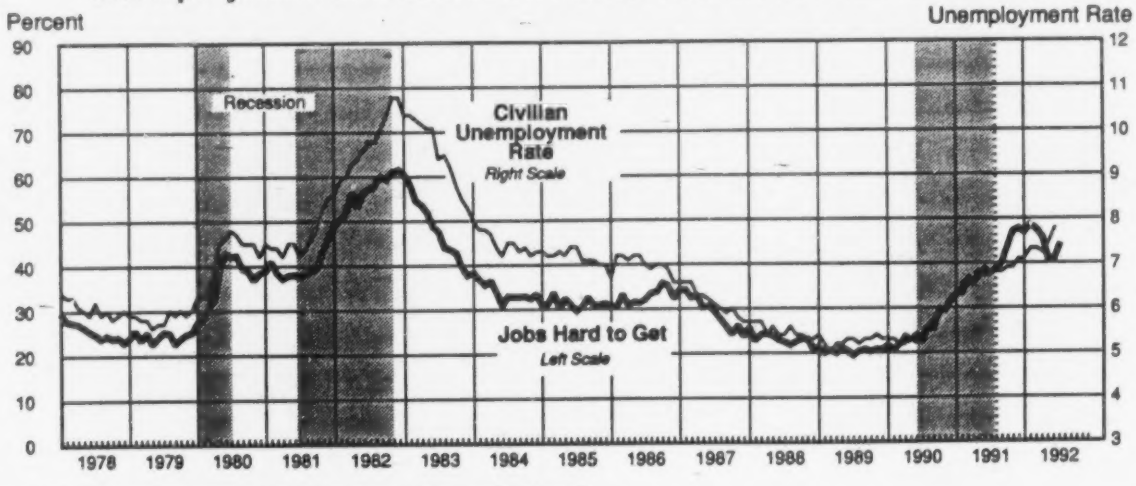
U.S. Department of Commerce; NFO Research Inc.; The Conference Board

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: U.S. Average, 1985 = 100	1991 July	Aug.	Sep.	Oct.	Nov.	Dec.	1992 Jan.	Feb.	Mar.	Apr.	May	Jun(r)	Jul(p)	AVERAGE: May, June, July 1991	1992	Percent Change
NEW ENGLAND																
Consumer Confidence Index	47.9	57.6	51.2	37.2	33.4	30.5	27.6	32.0	44.9	49.1	60.7	58.7	45.1	49.6	54.8	10.5
Present Situation	5.0	7.5	4.6	2.0	3.3	3.8	1.4	3.7	3.9	1.5	2.5	10.0	3.4	5.2	5.3	1.6
Expectations	76.6	91.1	82.3	60.7	53.5	48.3	45.0	50.9	72.3	80.8	99.5	91.2	72.9	79.3	87.9	10.8
MIDDLE ATLANTIC																
Consumer Confidence Index	60.1	61.7	61.7	47.1	37.0	39.4	44.9	42.2	45.3	56.5	62.5	58.6	44.0	63.6	55.0	-13.5
Present Situation	25.0	24.7	21.6	19.8	15.8	10.8	12.3	9.6	8.7	12.2	16.9	23.3	12.9	28.8	17.7	-38.7
Expectations	83.5	86.3	88.5	65.3	51.2	58.4	66.7	64.0	69.7	86.1	92.8	82.2	64.8	86.9	79.9	-8.0
EAST NORTH CENTRAL																
Consumer Confidence Index	83.3	72.6	72.5	67.7	54.4	55.3	52.4	50.0	57.0	65.7	68.7	77.4	66.5	77.9	70.9	-9.1
Present Situation	54.2	49.9	44.6	39.8	32.3	25.8	24.4	22.4	29.2	30.3	33.6	53.1	44.7	51.1	43.8	-14.3
Expectations	102.7	87.7	91.2	86.4	69.2	75.0	71.1	68.4	75.6	89.3	92.1	93.5	81.1	95.8	88.9	-7.2
WEST NORTH CENTRAL																
Consumer Confidence Index	73.4	70.4	74.5	68.2	52.3	51.9	61.8	53.9	65.9	64.6	76.7	72.0	48.8	73.9	65.8	-10.9
Present Situation	50.3	52.6	57.9	47.8	42.8	36.3	37.3	34.2	45.8	32.5	57.3	63.2	42.5	53.1	54.3	2.4
Expectations	88.8	82.3	85.6	81.8	58.7	62.3	78.1	67.1	79.3	86.0	89.6	77.8	53.0	87.8	73.5	-16.3
SOUTH ATLANTIC																
Consumer Confidence Index	85.8	84.0	84.6	68.4	60.3	53.6	55.9	55.5	61.6	74.2	76.5	80.8	69.9	85.5	75.7	-11.4
Present Situation	47.3	50.7	53.9	34.6	29.8	22.5	21.4	21.8	27.0	33.5	39.6	40.5	42.5	48.6	40.9	-15.9
Expectations	111.5	106.2	105.0	91.0	80.6	74.4	79.0	78.0	84.7	101.3	101.1	107.7	88.2	110.2	99.0	-10.1
EAST SOUTH CENTRAL																
Consumer Confidence Index	79.5	72.9	67.7	60.7	60.8	61.0	52.4	49.4	71.7	73.4	83.2	70.5	76.6	71.5	76.8	7.4
Present Situation	44.7	50.8	32.0	40.3	40.6	42.5	27.6	25.1	45.3	44.0	49.9	45.3	52.4	41.6	49.2	18.2
Expectations	102.7	87.6	91.6	74.3	74.3	73.3	68.9	65.7	89.2	93.0	105.3	87.4	92.8	91.4	95.2	4.1
WEST SOUTH CENTRAL																
Consumer Confidence Index	67.5	65.4	73.7	60.8	60.7	49.8	54.7	51.2	53.6	61.0	66.8	71.9	62.5	72.3	67.1	-7.2
Present Situation	34.7	36.7	39.6	30.1	32.2	22.4	23.9	29.7	22.4	28.5	32.5	35.7	29.9	39.5	32.7	-17.2
Expectations	89.4	84.5	96.5	81.2	79.8	68.0	75.3	65.6	74.5	82.6	89.6	96.1	84.2	94.1	90.0	-4.4
MOUNTAIN																
Consumer Confidence Index	86.3	94.2	86.8	84.0	68.2	62.4	62.9	65.1	82.7	69.6	83.6	85.0	64.3	87.7	77.6	-11.5
Present Situation	61.7	53.3	58.4	67.0	35.3	38.0	42.7	33.1	44.4	45.3	59.4	54.1	51.6	56.1	55.0	-2.0
Expectations	102.7	121.5	105.8	95.3	90.2	78.7	76.4	86.5	108.2	85.8	99.7	105.6	72.9	108.8	92.7	-14.7
PACIFIC																
Consumer Confidence Index	90.6	87.2	81.2	74.0	62.9	53.9	54.0	49.8	60.0	66.3	67.0	68.4	56.6	90.4	64.0	-29.2
Present Situation	73.4	72.9	62.6	53.8	39.4	31.4	23.0	23.0	20.1	27.1	35.1	36.1	28.4	77.7	33.2	-57.3
Expectations	102.1	96.8	93.5	87.4	78.6	68.9	74.7	67.7	86.6	92.5	88.3	90.0	75.4	98.8	84.6	-14.4

* Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.

Unemployment and Consumer Assessment of Job Availability



*Percent of respondents reporting "jobs hard to get," Consumer Confidence Survey

NFO Research Inc.; The Conference Board; Bureau of Labor Statistics